

## Department of Consumer and Business Services

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February 13, 2018

House Committee on Business and Labor Oregon House of Representatives 900 Court St. NE Salem Oregon 97301

Re: HB 4086(-2)

Dear Chair Holvey and members of the House Committee on Business and Labor:

Thank you for sharing the legislative counsel opinion.

The legislative counsel opinion aligns with our preliminary understanding of these issues. The opinion addresses whether the powers of a building official may be delegated to a private third party company, and how the discretionary decisions of building officials and inspectors are made.

HB 4086(-1) and (-2) both require that a building official be directly employed by a municipality. HB 4086(-2) requires that the building official hold technical expertise or directly employ a head inspector with technical expertise. HB 4086(-2) appears to be the stronger approach to a create a legal path forward for local building departments, consistent with the legislative counsel opinion. It is also the best policy approach, ensuring the building official has the skills or the staff necessary to exercise discretion and make technical and safety decisions on behalf of the building department.

HB 4086(-1) would require the division to re-evaluate the technical requirements for certified building officials, since they would be the only required employee at the local level. The division would need to adopt rules for the building official only model in HB 4086(-1) under existing authority to address the discretionary decision making requirement raised in the legislative counsel opinion.

HB 4086(-2) would require minimal rulemaking, because the technical expertise element is addressed through the head building inspector requirement. We believe HB 4086(-2) creates more flexibility for local government, because the technical expertise could be with the building official or with a separate head inspector. HB 4086(-1) would require that the issue of technical competency be addressed through changes to certification requirements for building officials.

Going forward, for the approximately 25 cities and counties that completely contract out their building inspection program to a third party business, there will be several options to transition to meet the requirements of HB 4086(-2). They can choose to recruit a building official (and, if necessary, a head inspector) or to work with other cities and counties and councils of government to establish a regional approach to services. In either case, municipalities would be able to use third party services where allowed by law. The division is prepared to assist municipalities in the transition once they have identified what approach they want to take to provide building department services on behalf of the state.

Thank you for your continued work on this issue.

Sincerely,

Mark Long

Building Codes Division, Administrator